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SEPTEMBER 12, 1966

THE MANY-SIDED
WORLD FOOD PROBLEM

GUARDING U.S. LIVESTOCK
FROM FOREIGN DISEASES

U.S. FOOD SHOW IN TOKYO

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FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

A WEEKLY MAGAZINE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE

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SEPTEMBER 12, 1966

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USDA quarantine inspector gets ready to burn link of Italian salami intercepted in the mail. Meat products are often carriers of animal diseases. See page 5.

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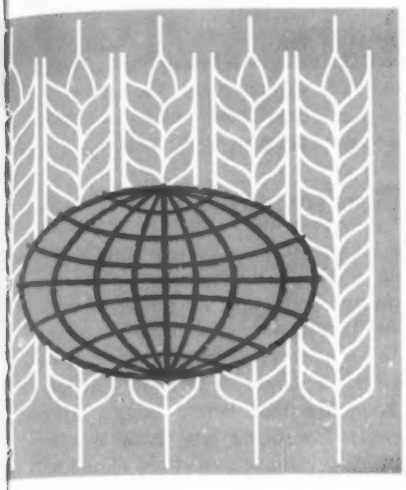

The Many-Sided World Food Problem Needs Many Combinations of Answers

By THOMAS M. WARE
Board Chairman
American Freedom From Hunger Foundation

Malthus may yet be proved wrong. Justus von Liebig's discovery of plant nutrients in 1849 put the gloomy parson's prophecy of overpopulation and starvation into the background for over a century.

Now the well-founded fears of mass starvation confront man again. But, while population stability may eventually be the key to any final solution, man is not automatically doomed to starve in the interim. Nor is he automatically saved.

There is no panacea in the offing today to eradicate the growing threat of hunger. The problem is not scientific. Man already has the technological knowledge to provide enough food for his growing numbers, a fact that lulls some into a false sense of security.

The problems of bending nature to the will of man pall before the problems of changing the nature of man and the instruments of his society. And this is the task that man faces.

What is needed for adequate food output

There are six vital conditions that must coexist before all men can hope to be adequately fed.

These factors are (1) government policies that encourage the development of agriculture, (2) tools, fertilizers, chemicals, and seeds, (3) available credit for their purchase, (4) adequate education in the use of these materials, (5) incentive for farmers to increase food production, and (6) a food processing and distribution system.

All of these factors are interrelated, and a low level of development in any one of them will proportionally negate the effectiveness of the others. If, for instance, the distribution system can handle only half of the produce a farmer can raise, he will have no incentive to produce beyond that level.

The condition may be likened to a six-sided dam. Food production can rise no higher than the lowest side, which must be built from the bottom up. In distribution, for example, farm roads to carry produce to market must come before national airlines to carry tourists on vacation. Or in farm production, fertilizers are needed before mechanized farm equipment.

In developing countries, the level of nutrition generally matches the government support given agriculture. Progressive governments actively and positively move to see that lagging elements are developed, that the needed inputs are built or bought—whether this involves foreign, private, or public investment.

Governments also have a fundamental responsibility to nurture and develop incentives for farmers to grow more food. The most recent and startling move in this direction has been taken by Russia, which after years of collective farming has ordered that farm workers be paid wages based on productivity.

Experiments had demonstrated that the profit incentive substantially increased productivity, and the government decided that if experience flew in the face of dogma, then dogma must go.

Passing technology on to the farmer

Basic to the success of any programs aimed at increasing food production is education. Farmers must acquire the skills and knowledge to apply all available tools and resources to their fullest. They must learn the importance of conserving and revitalizing the precious topsoil that produces the food.

One method for improving knowledge in areas where literacy is a limiting factor can be the use of film vans. These mobile units have already proven themselves by successfully communicating information about public health and agriculture to audiences in underdeveloped countries. Demonstration plots are another method. A government-financed farm extension service, staffed by trained civil servants, is yet another. Education programs conducted by agronomically trained employees of fertilizer, pesticide, seed, and equipment companies are still another.

A combination of all these probably will be the ultimate answer, although the mix will vary with the different needs of individual countries.

Programs that are being suggested

And so it is with the other problems. There will not be one answer but varying combinations of answers. Here are some, proposed by thoughtful observers, that call for government, private industry, and United Nations involvement.

One expert suggests that underdeveloped countries allow private industries to establish consortiums that include fertilizer, seed, pesticide, farm implement, and food processing companies.

One manager would direct the total marketing and dis-

tribution system of the entire complex. This consortium would also extend credit to area farmers and train them in proper agricultural practices to help them receive a fair return on their investment in time and money.

Another program envisions the establishment of a world-wide pool of food production essentials. Using credit made available by the pool, farmers could purchase the tools and other items they need.

To finance such a program, developed nations would contribute to the pool. As developing nations became self-sufficient, they would assume a responsibility for contributing to the pool.

The need includes capital

The burning need is for action on as many fronts and by as many people as possible. Already half the world's 3½ billion people are starving or malnourished, and the population will double by the end of the century.

And the problems will be the greatest where the need is the strongest. These societies, as a consequence of population pressures, are casting the individual into an ever more rigid mold of poverty and illiteracy from which escape becomes increasingly more difficult.

In most cases, outside financing will be required to break the chains of poverty. With capital comes the skilled organization that can go into a developing country and build a fertilizer plant or a food processing plant.

The urgency is recognized

There are signs of progress. More countries are realizing that agriculture is the foundation and basic source of a nation's economy and stability. Without food there can be no industrialization, no steel mills, no power projects.

America is becoming more aware of the problems, and Congress is considering legislation to launch a world war on hunger. Stepped-up food shipments to hungry nations, already underway, recognize that where hunger exists people cannot be concerned with the very things that are fundamental to any solution. But this food aid should not be viewed as a permanent solution. The Free World abundance, while large, is not large enough to feed a hungry world. The world will grow hungrier unless underdeveloped nations move rapidly toward agricultural self-sufficiency.

A Belgian Industrialist's View of the EEC's Common Farm Policy

A prominent Belgian industrialist has raised some pointed questions about the protectionist trend of the European Economic Community's Common Agricultural Policy.

Writing in the Summer 1966 issue of *Revue française de l'agriculture* (published by the French Ministry of Agriculture), Xavier de Crombrugghe, counselor of the Federation of Belgian Industries, said, "Industry considers agriculture to be a partner in economic life, eligible for both the advantages and the disciplines of European integration." Thus, he remarks, the idea of the CAP has the support of European industry; but the machinery by which that policy would be carried out has aroused some apprehension among Europe's industrial circles.

The questions the author feels are of most concern to Europe's industry as it contemplates the emerging CAP are these: "How can we avoid agricultural overproduction, poor distribution of the working population, rising inflation, and a cost 'squeeze' for the processing industries; and—most crucial of all—how can we contribute to the normalization of world trade?"

Surplus production, surplus farmers?

M. de Crombrugghe, taking the common EEC grain price for his example, pointed out that eventually most of the Community's production will come from regions where the guaranteed Community-wide prices are higher than the previous national prices and where farmers will naturally tend to increase their output. If the common price—and the price-fixing authority—cannot respond flexibly to the demand situation, the result will be excessive grain production.

Among the possible solutions to the problem of grain surpluses, M. de Crombrugghe mentioned that of encouraging farmers to shift more toward beef production. But, he added, "We might ask ourselves whether, instead of reorienting farmers from one branch of agriculture toward another that perhaps might in the long run develop overproduction too, it might not be better to orient them immediately toward an industrial occupation or toward other 'services'—public or private.

"Agricultural overproduction and insufficient industrial diversification are among the economic vices of developing countries; Europe can do better."

Problems for purchasers of EEC farm products

"Everyone realizes the inevitably inflationary effect of a rise in agricultural prices," the author commented, "with its impact on the competitiveness of all sectors of the economy as far as third countries are concerned." He stressed the especially difficult position of the processing industries, customers for half the Community's agricultural output in terms of value. They are squeezed tight between the higher cost of their raw materials and the difficulty of passing those costs on to purchasers of their products because their prices are kept down by government cost-of-living controls and the need of competing with third-country industries.

"The food processing industry in all its stages," he remarked, "is so important in increasing the value and facilitating the export of farm products that its expansion or contraction has an immediate impact on the welfare of the farmer." If prices are to be guaranteed for agricultural raw materials, he felt measures should be taken to neutralize their effect on the processing industry.

Problems of relations with third countries

According to the author, European industry joins the Community's traditional suppliers—the United States in particular—in deploring some of the excesses of the EEC variable levy system. Necessary as industry feels the system itself to be, its inflexibility can endanger the EEC's cost of living "as well as (or as badly as)" its negotiating position in the Kennedy Round. Retaliation can penalize EEC industrial products; and if the farm commodities of third countries are rejected by the Community, they will compete with those of the Community in the markets of other countries.

How U.S. Livestock Are Protected From Foreign Diseases

Our quarantine system permits maximum free movement of animals and animal products in world trade as is consistent with safeguarding our own livestock and poultry.

By DR. CLAUDE A. SMITH
Animal Health Division, ARS

Two years ago a new strain of the dreaded foot-and-mouth disease appeared in the eastern Mediterranean countries and by the fall of 1965 swept 2,000 miles into central Russia. Also in 1965, Western Europe was hit by a serious outbreak of one of the better known strains of the disease, which caused thousands of animals to be slaughtered, with the financial loss running into millions of dollars.

Currently both outbreaks appear to be tapering off. The Russians apparently isolated the new strain and developed a vaccine to combat it; meanwhile, reports from the Western European countries indicate fewer cases of the indigenous type.

While these epidemics were at their worst, the U.S. Department of Agriculture animal health authorities exerted special vigilance at international ports to prevent foot-and-mouth disease from entering this country and contaminating our cattle. And this vigilance continues. But there is growing concern about how long the United States can remain untouched by some of the world's most destructive animal plagues. Rapid travel and voluminous trade create hazards of disease-spread that tax the most intricate protective systems.

Jet age a hazard

Today animal diseases can move like lightning. Distance no longer provides a buffer against invasion. A jet air transport can outpace the development of symptoms in an animal that has been exposed to a disease just prior to shipment. And more than 90 percent of the shipments of animals imported into the United States last year from overseas countries entered by air.

The increasing volume of travel—186 million entries last year—has prompted agricultural quarantine inspectors to devote more attention to travelers' baggage and to meat scraps to be found in ship and airplane garbage. International mail is also carefully checked. In 1965, U.S. inspectors relieved tourists of some 100,000 pounds of forbidden meat and found another 30,000 pounds in mail from overseas. One particle of meat could be teeming with enough foot-and-mouth disease virus to infect hundreds and thousands of susceptible animals.

Although the U.S. inspection and quarantine system works against staggering odds that grow more imposing each year, it has chalked up an excellent record. There has been no outbreak of foot-and-mouth disease in this country for over 3½ decades. Nor has the United States been affected by some of the other devastating animal diseases such as African swine fever, which has recently spread from Africa into Spain, Portugal, and France, or by African horse sickness, which in the past 5 years has moved from Africa into eight countries of the Near East

Right top, USDA veterinarian checks ear tags of calves from Channel Islands, and bottom, inspecting seals on salt-treated pigskins from Poland. Below, customs officer questions package of animal vaccine found in baggage.

Animal Health Division is also responsible for entry of zoo animals. Top down, giraffe is unloaded from ship; after quarantine, white swans from Holland are recrated for release to bird farm; quarantined zebras are sprayed.

and Southeast Asia. For many years both diseases had been confined to relatively small areas in Africa, spreading only as air travel accelerated.

First protective measures adopted

The movement of foreign livestock into the United States was free and easy until the latter part of the 19th century; consequently, farmers and ranchers of the relatively disease-free New World began to find their herds ravaged by Old World plagues. The first regulation designed to keep out animal disease came in 1875 when the United States prohibited the importing of cattle and hides from Spain, where foot-and-mouth disease was rampant. This prohibition was later extended to other countries, but subsequently was relaxed.

By the 1880's the situation had reversed itself. European countries were refusing to buy U.S. cattle or beef for fear of spreading contagious bovine pleuropneumonia. This trade crisis gave birth to the animal quarantine system that exists today. In 1884, the Congress established the Bureau of Animal Husbandry in the Department of Agriculture and gave the Secretary of Agriculture authority for enforcing quarantine laws. At that time, it passed the first such law for detaining and testing livestock entering or leaving the United States.

From the beginning the Department's underlying philosophy for agricultural quarantines was that they would be applied only on a scientific basis according to the pest or disease problems involved. Through the years this philosophy has successfully resisted pressures to use quarantine laws or regulations as trade controls instead of disease-prevention measures. Tariffs and import quotas are enforced by the Bureau of Customs separately from agricultural quarantine laws.

How inspection system works

Essentially, the U.S. protective system against foreign animal diseases requires that inspectors of USDA's Animal Health Division inspect all animals and poultry to be imported into this country. (Inspection stations are maintained at 86 entry points.) If no evidence of communicable disease is found during the inspection, the animals may then be quarantined for a period of time; but if no communicable diseases appear during this period, they are released to the purchaser.

Animals under quarantine are held in strict isolation. USDA veterinarians give them precautionary treatment against external parasites and subject them to various tests. Inspection responsibility also extends to the sanitary control of feed, litter, manure, clothing, or any other item that may have been in contact with infected animals.

The degree of control applied to an imported animal may be prompted by a number of circumstances but is never without a scientific basis. In some cases, a blood test is all that is necessary. Such tests can detect the destructive horse diseases, dourine and glanders, as well as tuberculosis and brucellosis, two diseases of humans, cattle, and swine. Visual inspection and precautionary dipping of cattle from fever tick-infested areas effectively protect U.S. livestock against ticks that transmit piroplasmosis.

Stricter control involves a combination of tests and varying periods of quarantine. Birds from areas with Asiatic Newcastle disease and horses from areas where African horse sickness is known require such precautions.

Experience has shown that no nation can continue to import for extended periods of time susceptible animals, or their meat or byproducts, without eventually getting these diseases. Consequently, the United States prohibits importation of domestic ruminants or swine from any country where foot-and-mouth disease or rinderpest exists. Also prohibited are fresh, chilled, or frozen meat from these animals, except under certain conditions.

Since the policy of protection by exclusion was adopted in 1930, the United States has never had an outbreak of foot-and-mouth disease, despite the fact that this or rinderpest exists in all but about a dozen livestock-producing countries outside of North America.

Zoo animals quarantined

The Animal Health Division is also responsible for maintaining very stringent safeguards on the entry of zoo animals into this country, particularly those from countries where rinderpest and foot-and-mouth disease exist. Wild animals may be brought into the United States only after extensive quarantine periods abroad and a further quarantine period at the Department's animal quarantine station at Clifton, N.J. They are allowed to go only to approved zoos, where animals are isolated from domestic livestock and where proper measures are taken to dispose of waste to prevent spread of diseases.

How Canada—World's No. 2 Wheat Exporter—Markets Its Wheat

For more than 30 years, the Government of Canada has had direct control of the country's wheat marketing via the operations of the Canadian Wheat Board. This Board, set up in July 1935, has helped Canada's wheat industry weather the Great Depression, the Second World War, and the postwar scramble for worldwide markets. The marketing system, with its absolute control over quality and movement, has undoubtedly enabled Canada to capture and hold its current high place in these markets.

In 1962, the Foreign Agricultural Service described the workings of this system in *Canadian Wheat Marketing* (FAS-M-140). This publication, now extensively revised and updated, will be reissued later in the fall. A summary of it follows.

Pricing procedures

The marketing of grain from western Canada—main producing region—is under government control from the time the producer applies to the Wheat Board for his delivery permit book to the time the grain is finally loaded on shipboard for export or delivered to domestic mills.

The Wheat Board, reporting to the Minister of Finance, is responsible for the marketing aspect of these controls. All commercial supplies of western grain are placed in annual marketing pools by grade, and the Board then effects their orderly movement during the pool period (Aug. 1-July 31) to consumers both domestic and foreign. This procedure insures a uniform per-bushel return within each grade, regardless of the time of delivery.

For his wheat crop, the farmer is guaranteed at least an initial payment no lower than the price set by the Board before the beginning of each crop year (less certain fixed charges). If the Board cannot dispose of the wheat at a higher price, the government makes up the deficit. However, if the Board is virtually certain of a surplus for the pool period, it may make an interim payment, as an advance on the final payment.

The farmer's final return will depend on the final financial position of the pool, which may not be settled until the next pool has been underway for some months.

Marketing procedures

The Wheat Board must authorize all shipments of grain across Provincial borders. Thus, by allotting boxcars to elevators which have stocks of the grades it desires, it can regulate not only the quantity moving to terminals but also the grade and type of grain that moves.

The Board sells wheat either directly or through the grain exporters to customers throughout the world, at competitive asking prices it quotes daily.

In addition to the security of a minimum guaranteed price and the immense bargaining power exercised on the farmer's behalf by the Wheat Board, all farmers are afforded equal access to the nation's storage facilities—even in times of overabundant grain supplies—by means of the delivery quota system.

At the beginning of each year, a delivery quota is set. Under normal conditions and with an average crop, the grain moves out into marketing channels and leaves more space available; then the delivery quota can be raised or opened entirely, and the producer may deliver unlimited quantities. With abnormally large crops, the producer holds on his farm the grain he cannot deliver to the elevator under his quota. The mechanism for regulating deliveries within the authorized quotas is the delivery permit book for which the producer applies each year and in which his actual commercial deliveries are recorded by the elevator where he wishes to deliver his grain.

Grading and inspection procedures

At this point, Canada's Board of Grain Commissioners, reporting to the Department of Agriculture, enters the picture. It is responsible for the grading and inspection methods that have helped Canada's wheat attain and keep its high place on world markets.

The Board sets standards each year for western and eastern grain. Standard samples are prepared for the various statutory grades and for any commercial grades decided upon. Standard export samples are also prepared.

The official grading of grain, performed by sampling at the Board's inspection points (Winnipeg, Edmonton, and Calgary), is rechecked at terminal or mill elevator. However, the country elevator determines the percent of dockage and sets a grade on which to issue the farmer a cash ticket. If elevator and farmer disagree on the grade, a sample of the grain is sent through official inspection channels for a final decision.

The elevators themselves are part of the quality control network, since they must be licensed by the Board of Grain Commissioners in order to act as agents of the Wheat Board, and since they may purchase from farmers only those varieties that have survived the rigid tests of the Department of Agriculture and been pronounced equal in quality to the standard variety—Marquis.

Report Out on Syria's Cotton Industry

Cotton is now big business in Syria, according to a recent publication of the Foreign Agricultural Service, *Cotton in Syria.** Based partly on an on-the-spot survey made in 1965, the report says that Syria now ranks among the top ten world cotton producers and exporters. The country has increased its cotton output more than tenfold since 1940.

Between 85 and 90 percent of Syria's cotton production goes for export, constituting more than half the country's foreign exchange income. Syrian cotton is grown from U.S. seeds of a high-yielding American Upland variety, and is similar to and in competition with the bulk of U.S. cotton that moves in international trade.

Cotton as a major crop in Syria is relatively new. The fiber gained commercial importance just after World War I when the nation bought its first gin. Later, rapid expansion was stimulated by the prospect of high prices and readily available markets as a result of the abnormal conditions surrounding the Korean conflict.

Private capital and initiative added further impetus, expanding irrigation, and encouraging the use of insecticides, fertilizer, and farm machinery. Efforts to boost output were so successful that between 1947 and 1950 land sown to cotton was increased fourfold and yield sixfold. Production faltered briefly in the early 1950's, but picked up momentum again in 1954 and has been on the increase ever since. The country produced some 810,000 bales of cotton in 1964, 762,000 of it for export.

Nationalization of the industry

In early 1965, the Socialist Government of Syria nationalized virtually all aspects of the cotton industry. It is still too soon to evaluate fully the effects of nationalization, but estimates for 1965 put production at about the same record level as in 1964. The government is still encouraging expansion of cotton production, but the main emphasis is on higher yields rather than additional acreage. The government reportedly is also interested in promoting exports of textiles and in improving the efficiency of Syria's textile industry. However, because of limited financial resources, it is unlikely that any significant improvements will be made in the near future.

Syria is relatively self-sufficient in textiles, although in recent years there has been a small two-way trade between Syria and neighboring countries (except Israel). The annual per capita consumption of textiles in Syria has remained fairly steady in the past decade at about 11 pounds.

*FAS M-175. Copies may be obtained from Information Service Branch, Foreign Agricultural Service, Room 5918-S, U.S. Department of Agriculture, Washington, D. C. 20250.

Beef Output Higher in Western Europe

Beef cattle slaughterings in Western Europe during the first half of 1966 were approximately 5 percent above those for the first half of 1965. The greatest increases were in Italy and West Germany, which are also the largest beef importers. Although production for the first 6 months remains considerably below 1962-63 levels, livestock censuses indicate that a faster rate of output may occur during the last half of the year.

Cattle prices—generally lower than the high 1965 levels—showed little sign of rising despite the imposition of import levies by Italy and West Germany on imports from outside the European Economic Community (EEC). In Italy these levies have exceeded $3.97 per 100 pounds since April and by the end of July had reached $5.78.

Imports apparently have not been cut drastically by these levies. For example, Dutch imports of beef (both fresh and frozen) in the first 6 months of 1966, amounted to about 44 million pounds, an increase of over 40 percent from the same period in 1965. The lowering of import tariffs on frozen beef for processing, which is exempted from the levy system, has encouraged larger imports of this type of meat.

In recent months the Italian Government appears to be inclined to strengthen import barriers in an effort to increase domestic prices. They have received permission from the EEC Commission to charge a supplementary levy of $3.40 per 100 pounds liveweight. This supplementary levy went into effect on July 28 and is valid until October 2.

Spain has absorbed larger quantities of beef from Argentina and Uruguay, which is traditionally directed toward the EEC. Austria has continued to ship to its traditional market, Eastern Europe, and producer prices have been relatively stable. However, Danish, English, and Irish prices have fallen in recent weeks. The EEC import price—and, indirectly, the variable levies—is based on prices in these three countries. Therefore, by mid-August, the EEC import price had fallen by almost $2.00 per 100 pounds since the last of June.

With both a cyclical and seasonal increase in beef output in the coming months, internal prices will probably fall further, resulting in extensive imposition of full levies in EEC countries and thus making access to the Common Market even more difficult.

Gulf States Lead as Export Gateway

The Midsouth and the Gulf States have improved their No. 1 position as the gateway to foreign markets for agricultural exports.

As the volume of wheat, rice, feedgrain, and soybean exports increased from an average of 480 million bushels in 1950-55 to 1,744 million in 1965, the flow through Gulf ports increased from 43 to 60 percent of the total.

Thus, even though the export expansion has been the result of greater diversification in the composition of agricultural exports and broader geographic interest to U.S. agriculture, the Midsouth as a region has shared well in this growth, both in respect to greater farm opportunities for producing soybeans and grains and for handling the commodities on their way to foreign markets.

TOTAL U.S. GRAIN EXPORTS, INCLUDING SOYBEANS, BY PORTS

Port areas	Average 1950-55	Average 1956-60	Average 1961-65	1965
	Million bushels	*Million bushels*	*Million bushels*	*Million bushels*
Gulf	205.8	413.5	876.6	1,046.5
Lake	17.1	72.2	232.8	295.3
Atlantic	161.5	207.2	170.1	161.6
Pacific	95.8	189.6	192.2	240.7
Total	480.2	882.5	1,471.8	1,744.1

Source: U.S. Dept. Agriculture, Consumer Marketing Service, *Grain Market News*, June 1962, Jan. 15, 1965, and Jan. 14, 1966.

Sampling a U.S. exhibitor's product on opening day at the Tokyo processed food show are (l-r) Japan's Minister of Agriculture and Forestry Raizo Matsuno, U.S. Minister John K. Emmerson, and Agricultural Attaché Elmer W. Hallowell.

Tokyo Exhibit-Seminar Stars U.S. Foods and Self-Service

Japanese and American food industry leaders acclaimed the 2-week "American Grocery and Specialty Foods Exhibit," held recently in Tokyo a highly successful venture. More than 4,000 trade visitors registered at the show, where 59 major U.S. firms solicited Japanese sales with displays of processed and packaged food products—meats, fruits and vegetables, candies, beverages, desserts, soups, and seasonings.

Speaking for the exhibitors, Herbert Stone, manager of the American International Trading Company, said, "The opportunities to do business in Japan have far exceeded our fondest expectations. In fact, I now find that I must extend my visit by another 10 days or so in order to follow up on the contacts that my company has made during this show."

Food merchandisers of the two countries were enthusiastic also about the seminar on American food distribution methods presented in conjunction with the food show. A team of U. S. experts staged the seminar in Tokyo, Osaka, Fukuoka, and Sapporo. Guest speakers were prominent Japanese food trade leaders.

Said one of the guest speakers, Tokuo Masui, chairman of the Japan Self-Service Association, "These person-to-person meetings are far more educational than reading about store layouts and food merchandising techniques in books."

The food exhibit and seminar were sponsored by FAS in cooperation with three U. S. food trade organizations—Super Market Institute, Inc., Grocery Manufacturers of America, Inc., and National Association for Specialty Food Trade, Inc. They were actively supported by the Japan Self-Service Association.

Above, George L. Baker, Jr., seminar speaker and director of education for Super Market Institute, visits booth at food show.

Food trade leaders from Japan and U.S. address seminar audience. Below, Chairman Tokuo Masui of the Japan Self-Service Association. Right, Edwin E. Epstein, president of Great Eastern Food Markets, Inc.

U. S. Tobacco Exports Higher in July 1966

U. S. exports of unmanufactured tobacco in July 1966 totaled 44.2 million pounds (export weight)—up 22 percent from those of July 1965. This brings total exports for the first 7 months of calendar 1966 to 219.7 million pounds, compared with 207.5 million for the same period last year.

Exports of flue-cured in July of this year totaled 33.8 million pounds—up from 27.2 million in July 1965; those of burley at nearly 4.9 million were about the same as in July last year. Total value of unmanufactured tobacco exports was $36.6 million in July 1966, compared with $30.4 million a year ago.

Exports of tobacco products in July 1966 were valued at $11.9 million, against $9.2 million last year. Cigarette exports, at 2,136 million pieces, increased about 17 percent. All other categories of products also were higher, with shipments of smoking tobacco in bulk, at 1.3 million pounds, more than double those for July 1965. For January-July 1966, total value of all tobacco product exports was $74.5 million, compared with $68.6 million for the first 7 months of 1965.

U. S. EXPORTS OF UNMANUFACTURED TOBACCO
[Export weight]

Kind	July		Jan.-July		Change from 1965
	1965	1966	1965	1966	
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*Percent*
Flue-cured	27,247	33,835	153,544	157,979	+ 2.9
Burley	4,900	4,852	23,385	25,429	+ 8.7
Dark-fired Ky.-Tenn.	1,332	1,324	8,020	8,622	+ 7.5
Va. Fire-cured [1]	339	366	2,873	3,020	+ 5.1
Maryland	664	1,734	3,814	5,264	+ 38.0
Green River	1	3	397	443	+ 11.6
One Sucker	17	20	101	74	— 26.7
Black Fat	287	227	1,906	2,041	+ 7.1
Cigar wrapper	463	370	2,385	2,939	+ 23.2
Cigar binder	286	28	1,914	1,513	— 21.0
Cigar filler	3	19	248	519	+109.3
Other	598	1,423	8,897	11,814	+ 32.8
Total	36,137	44,201	207,484	219,657	+ 5.9
	Mil. dol.	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Percent*
Declared value	30.4	36.6	163.9	182.1	+ 11.1

[1] Includes sun-cured.
Bureau of the Census.

U. S. EXPORTS OF TOBACCO PRODUCTS

Kind	July		Jan.-July		Change from 1965
	1965	1966	1965	1966	
					Percent
Cigars and cheroots *1,000 pieces*	5,086	12,715	26,494	48,568	+ 83.3
Cigarettes *Million pieces*	1,831	2,136	13,209	13,863	+ 5.0
Chewing and snuff *1,000 pounds*	7	20	136	279	+105.1
Smoking tobacco in pkgs. *1,000 pounds*	44	80	519	574	+ 10.6
Smoking tobacco in bulk *1,000 pounds*	596	1,266	6,406	7,442	+ 16.2
Total declared value *Million dollars*	9.2	11.9	68.6	74.5	+ 8.6

Bureau of the Census.

Japan's Cheese Imports Nearly Doubled

Japan imported a total of 17.0 million pounds of natural cheese, valued at slightly over $5 million, during the first 6 months of 1966. This figure is nearly double the 9.0 million imported during the comparable period a year earlier.

Principal suppliers and the quantity supplied were as follows, in millions of pounds: Australia, 5.7; Norway, 4.5; New Zealand, 2.7; and the Netherlands, 2.2. Smaller suppliers included Sweden, Denmark, Italy, Finland, Switzerland, and France.

Japanese consumption of cheese, practically all of it processed, continues to rise. Japan is expected to consume somewhere between 33 million and 40 million pounds of processed cheese in 1966. Domestic production of natural cheese usually amounts to between 11 million and 15 million pounds annually. Current estimates of total 1966 imports of natural cheese range between 25 million and 30 million pounds.

Ecuador Cuts Coffee Export Taxes

The Government of Ecuador recently exempted from export taxes all coffee going to "new markets" as designated by the International Coffee Agreement (ICA). Decree No. 793 will lift taxes on the coffee exports until March 31, 1967. Ecuador reportedly wants to especially encourage such shipments, which are not subject to ICA export quotas, because of a tightening storage situation.

Canadian Cotton Use Lowered by Strike

Canadian cotton consumption during the 1965-66 season (August-July), based on the number of bales opened by mills, was 449,000 bales (480 lb. net), down 2 percent from the near record level of 456,000 bales in 1964-65. The decline in consumption from last season's level is attributed to a 4-month strike that has closed some of the more important Canadian mills. Consumption in July dropped to a seasonal low of 18,374 bales, down sharply from the 30,535 bales in June and 26,619 in July of 1965. July rates are normally low because of annual mill holidays.

Imports into Canada in the August-December period of 1965 amounted to 185,000 bales, the highest imports for those months since 1950-51. Imports from the United States during the period were 129,000 bales, 11 percent above the 116,000 bales imported during that period a year earlier. In December, 43,000 bales arrived from the USSR, the first shipment of a reported 90,000 running bales of Russian cotton to be delivered by the end of calendar 1966. The United States exported 269,000 running bales of cotton to Canada in the full 1965-66 season, compared with 390,000 in 1964-65.

Moroccan Almond Estimate Revised

The Moroccan almond crop now appears to amount to 5,000 short tons shelled basis—slightly above an earlier estimate. This is smaller than the record 6,600-ton 1965

harvest but far above the 1960-64 average of 3,300 tons.

Exports during calendar 1965 totaled a record 4,532 tons compared with the previous high of 4,492 tons shipped in 1958.

SUPPLY AND DISTRIBUTION OF MOROCCAN SWEET ALMONDS
[Shelled basis]

Item	1964-65	1965-66	Forecast 1966-67
	Short tons	*Short tons*	*Short tons*
Beginning stocks (July 1)	300	200	300
Production	4,400	6,600	5,000
Total supply	4,700	6,800	5,300
Exports	3,100	5,000	3,500
Domestic disappearance	1,400	1,500	1,600
Ending stocks (June 30)	200	300	200
Total distribution	4,700	6,800	5,300

Estimate of Argentine Dried Prune Pack Raised

The 1966 Argentine dried prune pack is now estimated at 8,300 short tons, a sharp upward revision of earlier indications. At 8,300 tons the pack is substantially larger than the 1965 output of 5,500 tons and above the 5-year average (1960-64) of 7,800 tons.

The 1966 export estimate has also been raised—to 5,500 tons. This figure would be well above the 1965 (and average) export level of 3,900 tons but below the heavy 1964 export volume of 6,500 tons.

Size and quality are reportedly good. The export price for medium-size fruit is reportedly 20.4 cents per pound, f.o.b. Argentine port, packed in 22-pound boxes.

ARGENTINA'S SUPPLY & DISTRIBUTION OF DRIED PRUNES

Item	1965	1966 [1]
	Short tons	*Short tons*
Beginning stocks (Jan. 1)	100	—
Production	5,500	8,300
Total supply	5,600	8,300
Exports	3,900	5,500
Domestic disappearance	1,700	2,000
Ending stocks (Dec. 31)	—	800
Total distribution	5,600	8,300

[1] Distribution estimates preliminary.

U.S. Exports of Soybeans and Products

Soybean exports from the United States in July were 12.1 million bushels compared with 17.4 million in the corresponding month a year ago. Cumulative exports in the September-July 1965-66 period were one-fifth (39.1 million bu.) above those in the like period of 1964-65.

Exports of *edible oils* (soybean and cottonseed), at 66.9 million pounds, dipped sharply from the 95.4 million exported in June and were far below the 133.7 million exported in July 1965. Aggregate exports for the October-July period were less than 1.0 billion pounds—655 million below the comparable 10-month period a year ago.

July exports of vegetable *oilcakes and meals* at 126,800 short tons declined by 25,500 tons from those in June and were 45,800 tons below those of July 1965. However, aggregate exports through July were 2.45 million tons, nearly 450,000 tons above those in the like period of 1964-65. Most of the increased volume moved to West Germany, the Netherlands, Spain, and France.

U.S. EXPORTS OF SOYBEANS AND PRODUCTS

Item and country of destination	Unit	July 1965 [1]	July 1966 [1]	Sept.-July 1964-65 [1]	Sept.-July 1965-66 [1]
SOYBEANS					
Japan	Mil. bu.	6.7	3.6	45.8	57.8
Netherlands	do.	1.0	1.3	26.6	32.5
Germany, West	do.	1.9	2.8	22.4	32.1
Canada	do.	3.9	2.4	31.7	29.3
Spain	do.	.4	.4	7.4	16.7
Italy	do.	.8	—	9.9	15.1
Others	do.	2.7	1.6	56.6	56.0
Total	do.	17.4	12.1	200.4	239.5
Oil equivalent	Mil. lb.	191.3	132.7	2,200.8	2,629.8
Meal equivalent	1,000 tons	409.4	284.0	4,710.2	5,628.5

EDIBLE OILS		July 1965 [1]	July 1966 [1]	Oct.-July 1964-65 [1]	Oct.-July 1965-66 [1]
Soybean: [2]					
Iran	Mil. lb.	2.3	7.5	59.9	107.6
Pakistan	do.	4.8	—	189.5	102.1
Burma	do.	—	14.1	—	46.4
Yugoslavia	do.	—	—	1.1	40.4
Colombia	do.	—	4.4	([3])	34.9
Canada	do.	4.4	2.8	33.2	28.0
Israel	do.	2.1	11.2	42.6	26.9
Others	do.	47.4	15.1	663.2	186.0
Total	do.	61.0	55.1	989.5	572.3
Foreign donations [4]	do.	31.2	7.8	[5] 100.9	159.0
Total soybean	do.	92.2	62.9	1,090.4	731.3
Cottonseed: [2]					
Canada	do.	4.0	1.5	35.9	38.8
UAR (Egypt)	do.	5.8	—	32.5	36.1
Venezuela	do.	3.7	1.9	24.2	27.7
Pakistan	do.	3.2	—	20.7	21.7
Mexico	do.	10.8	—	21.7	15.4
Morocco	do.	2.2	—	26.1	14.2
Iran	do.	—	—	47.9	10.8
Others	do.	11.8	.5	265.8	91.1
Total	do.	41.5	3.9	474.8	255.8
Foreign donations [4]	do.	([3])	.1	[5] 78.5	[6] 1.4
Total cottonseed	do.	41.5	4.0	553.3	257.2
Total oils	do.	133.7	66.9	1,643.7	988.5
CAKES AND MEALS					
Soybean:					
Germany, West	1,000 tons	17.1	41.1	256.7	410.6
France	do.	43.9	31.1	325.2	385.4
Netherlands	do.	10.4	4.2	219.8	271.2
Canada	do.	23.9	17.3	207.0	188.0
Italy	do.	10.6	2.3	125.5	147.4
Denmark	do.	6.3	10.6	110.9	133.8
Belgium	do.	10.9	4.5	155.9	131.0
Spain	do.	4.7	—	64.3	122.8
United Kingdom	do.	3.7	.4	29.2	93.8
Yugoslavia	do.	—	—	108.9	77.8
Others	do.	12.5	6.5	205.4	269.4
Total	do.	144.0	118.0	1,808.8	2,231.2
Cottonseed	do.	18.6	.3	132.2	97.7
Linseed	do.	6.3	6.6	43.7	86.5
Total cakes and meals [7]	do.	172.6	126.8	2,003.7	2,450.7

[1] Preliminary. [2] Includes Title I, II, III, and IV of P.L. 480, except soybean and cottonseed oils contained in shortening under Title II. Excludes estimates of Title II exports of soybean and cottonseed oil not reported by Census. [3] Less than 50,000 lb. [4] Title III, P.L. 480. [5] October-December 1964 estimated by USDA; includes salad oil and oil in shortening. [6] Revised. [7] Includes peanut cake and meal and small quantities of other cakes and meals.

Compiled from Census records and USDA estimates.

Note: Countries indicated are ranked according to quantities taken in the current marketing year.

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Highlights of the Agriculture and Trade of Venezuela

Resources.—With an area of 352,000 square miles, Venezuela approximates the size of Texas plus Oklahoma. Population, growing at an annual rate exceeding 3 percent, reached 8.8 million in mid-1965. Per capita gross national product (GNP) of $850 was the highest in Latin America in 1965. Agriculture provides only 7 percent of GNP and employs 35 percent of the active labor force.

Agriculture.—Venezuela has placed strong emphasis upon agricultural development in recent years. According to the USDA index, the level of total output in 1965 was 51 percent above that of 1957-59 and 29 percent above the level of 1960. Approximately 3 percent of total area was in cultivated crops in 1961 with 19 percent in pasture. Crops constituted 57 percent of the total net output in 1965. Coffee, sugarcane, and corn are major crops. Dairying contributes over one-half of the net livestock output and beef another 20 percent.

Food Situation.—Average daily caloric intake for the 1959-61 period has been estimated at 2,330. Protein intake is estimated at 2 ounces per day, 40 percent of which is animal protein. A significant rise in consumption of fats and oils, meat, and dairy products has been apparent in recent years. However, cereals, starchy crops, and sugar account for about two-thirds of the daily caloric intake.

Foreign Trade.—Petroleum products accounted for 92 percent and agricultural products for 3 percent of all exports, valued at $2.8 billion during 1965. Agricultural exports consisted mainly of coffee, cocoa beans, sugar, and plantains. For the same period, agricultural products constituted 14 percent of total imports, valued at $1.2 billion. A wide variety of farm products are imported, the leading ones being wheat, dairy products, fruits, vegetables, meats, barley malt, and oilseeds.

Agricultural Trade With the United States.—The United States takes about two-thirds of Venezuela's agricultural exports and supplies approximately 40 percent of its agricultural imports. During 1965, U.S. imports of coffee, cocoa beans, plantains, and other Venezuelan agricultural products totaled $17.7 million. U. S. agricultural exports to Venezuela declined from a 1960 peak of $92.9 million to $65.0 million in 1962 but recovered to $75.9 million in 1965.

The United States is the leading Venezuelan source for imports of fresh and processed fruits and vegetables, vegetable oils, barley malt, and soybeans. It also is a major supplier of wheat, other grains, and dairy products. However, U. S. exports of dairy products to Venezuela have dropped substantially, because of increased domestic production and greater competition from the Netherlands, Denmark, and Canada. Canada's share of the Venezuelan wheat import market also increased sharply after 1962.

Factors Affecting Agricultural Trade.—Import restrictions—licenses and quotas—are used to restrict importation of many agricultural commodities and protect domestic industry, particularly for fruits, poultry, and dairy products. Imports of some commodities including dry milk, pork, beans, and copra may require purchase of specified quantities of domestic output. However, commodities—including wheat, barley, oats, and cotton—that are not competitive may be favored by reduction in duties and exchange rates. Venezuela maintains a minimum guaranteed export price for coffee and cocoa beans.

On July 11, 1966, Venezuela became the 10th member of the Latin American Free Trade Association (LAFTA). Venezuela plans to have completed negotiations on duty reductions with other LAFTA countries by January 1967 and be in position to exercise full membership in the Association.

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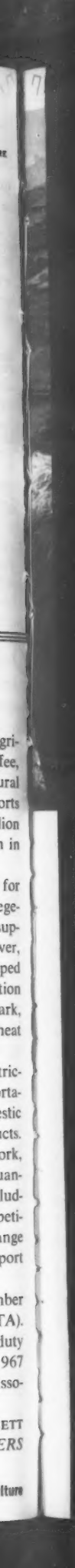
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